



傅長春儲運有限公司
POH TIONG CHOON LOGISTICS LIMITED

ANNUAL REPORT 2005



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Our Philosophy

To provide a high standard of service to our customers through skilled, efficient, dedicated and motivated employees leveraging on up-to-date technology. The company's vision for growth is founded upon its core business where it leverages on proven strengths. This vision is underpinned by judiciously seeking out potential acquisitions and strategic alliances with selected partners to enhance overall competitive strength and to increase market share.

Corporate Profile





Poh Tiong Choon Logistics Limited (the "Company" or "PTCL") started as an owner-operator transport company in the 1950s and has over the years grown into one of the leading integrated logistics specialists in Singapore. It is listed on the Main Board of the Singapore Exchange and has been certified to ISO 9000 quality standards since 1996.

The Company handled the very first bulk cargo vessel trimming operations and was one of the first to provide container storage services in Singapore. It was also a pioneer in heavy haulage operations and played a vital part in transporting infrastructural cargo such as turbines and generators for power stations and incineration plants, reactors and other heavy equipment for refineries and petrochemical plants, concrete beams for highway constructions, etc. during Singapore's early years of industrial development.

PTCL serves a broad spectrum of industries including the chemical, food, retail, infrastructure and shipping sectors. The Group's core businesses span five areas:

- Transportation, bulk cargo handling and stevedoring
- Warehousing, drumming and related services
- Trading
- Leasing
- Terminal management

Transportation

PTCL owns and operates one of the largest fleets of cargo vehicles in Singapore comprising some 184 prime movers, over 1,400 trailers and other vehicles such as refrigerated trucks, tipper trucks, cement tankers and lorries.

With more than 50 years of experience, the Company has a strong track record in transporting high value, sensitive and chemical cargo in various forms, including:

- Conventional
- Containers
- Bulk
- Bulk Liquid Containers

Bulk Cargo Handling and Stevedoring

The Company is a major bulk cargo handler in Singapore and loads onto/discharges from vessels cargoes such as sugar, bulk cement, silica sand, salt, fertilizer and chemical raw materials. In addition, the Company also specializes in the loading of drums onto vessels and loads in the region of 900,000 drums a year.

Warehousing, Drumming and Related Services

PTCL owns and operates two warehousing facilities, one at Jurong Island and the other at Pandan Road. The facilities provide comprehensive logistics services including drum filling of chemical products, open and covered warehouse



storage, inventory management, local and international freight management, as well as storage and distribution of loaded containers.

Trading

The Group trades in bitumen products regionally and also sells and distributes liquefied petroleum gas (LPG) to households in Singapore.

The Group also commenced diesel fuel retail distribution business in the current financial year.

Leasing

In a strategic alliance, the Group sub-leases part of the land at 23 Ayer Merbau Road, adjacent to the PTC Chemical Logistics Complex at Jurong Island, to Stolt Container Terminal Pte Ltd to operate a newly completed ISO tank cleaning and repair facility. The combined facilities provide customers with comprehensive, integrated and cost effective solution to their logistics requirements such as tank heating, cleaning and repair, drum filling, warehousing and open storage, and other ancillary services.

Terminal Management

Through Hai Poh Terminals Pte Ltd, a joint venture with Cougar Logistics Corporation Ltd, PTCL is able to offer terminal management services. Since 1984, Hai Poh Terminals has been managing and operating at an appropriated berth in PSA for major multinational liners and specialises in RORO vessel operations.

PTC Chemical Logistics Complex at Jurong Island

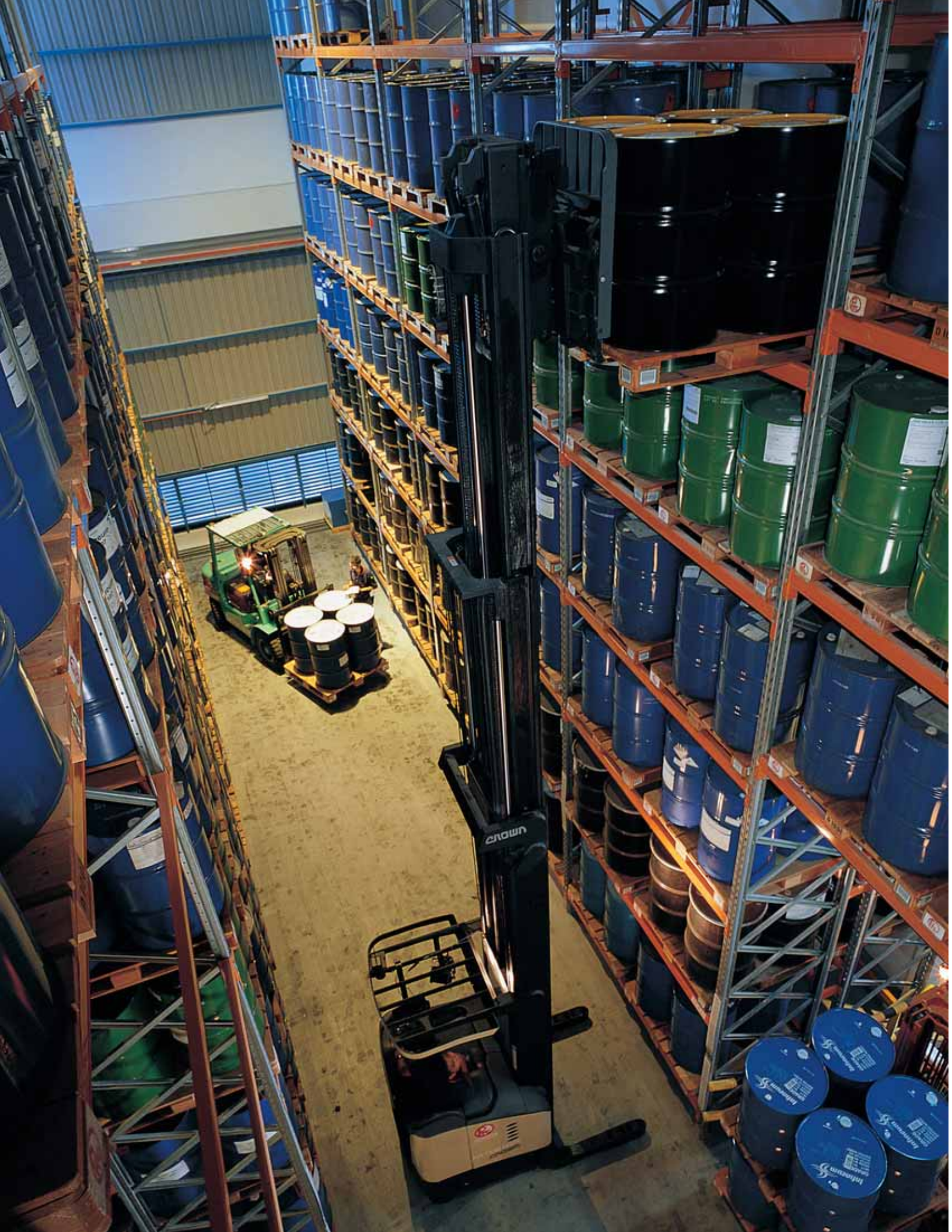
The Chemical Logistics Complex is strategically located at the heart of Jurong Island. It comprises a 5-storey warehouse, a chemical-drumming plant, storage facilities for dangerous

cargo and a high-density automated storage and retrieval system (ASRS). At a height of 39 metres, this system provides substantial savings in space and labour costs. A web-ready Warehouse Management System integrates the entire physical facilities and operations, ensuring efficient and accurate identification, tracking and management of cargo. Designed to support information, space and resource management, the system also provides us with the infrastructure for e-commerce developments.

Also adjacent to the Complex is the Container Depot facility. This is equipped with a container handling Rubber-Tyred Gantry Crane that has auto steering and container-positioning features called the "Smartrail System", which is based on the Global Positioning System technology using signals from satellites orbiting the earth. Unlike conventional cranes that run on rails, this crane being equipped with the "Smartrail System" runs on 'virtual' tracks and is the first to be installed in South East Asia. The crane has the ability to stack up to seven containers high and eight wide.

The PTC Chemical Logistics Complex is a one-stop supply chain service hub with the capability of providing value-added services, including:

- Real time inventory management
- Storage of dangerous cargo
- Drumming of non-hazardous chemicals
- Spares management
- Container transshipment hub
- Interface with clients' Enterprise Resource Planning Systems
- Transportation and freight coordination and documentation services



Chairman's Statement

“Driving the business forward only happens when we believe in the same vision as our customers. That’s why here at PTCL, we push ourselves harder to integrate the technology and people seamlessly to provide our best. An increasingly competitive and difficult business environment challenges PTCL to scale greater heights of achievement. ”



Poh Choon Ann
Chairman & Chief Executive Officer

On behalf of the Board, I am pleased to present the Annual Report and Audited Accounts of Poh Tiong Choon Logistics Limited (the Company) and its subsidiaries (the Group) for the financial year ended 31 December 2005.

Group Performance

In the year 2005, Group revenue improved by 31% to \$69.6 million over the previous year. Higher revenue from the Transportation & Bulk Cargo and Trading Divisions were complemented by higher revenue from the Warehousing Division as a result of higher volume recorded. The Trading Division revenue increased by 300% mainly from maiden contribution from diesel trading. Leasing Division also registered another maiden revenue from January this year. Consequently, Group profit before tax increased by 39% to \$3.8 million and Group profit after tax and minority interests increased by 32% to \$2.8 million. This was achieved despite higher diesel prices and other operating expenses .

Divisional Performance

Revenue of the Transportation & Bulk Cargo Division grew by 11% to \$48.5 million in 2005 resulting from higher volume in land transport services. Operating profit declined by 4.5% to \$2.3 million as a consequence of lower margins and higher diesel prices.

The Warehousing Division, which includes drumming operations, recorded higher revenue of \$7.5 million, an increase of 20%. With the higher revenue, operating profit increased by 91% to \$1 million as a result.

The Trading Division revenue increased by 300% to \$13 million mainly due to the contribution from a new diesel trading business that commenced operation in March this year. Consequently, operating profit improved by 68% to \$0.5 million.

The Leasing Division began to recognise revenue and earnings stream in 2005 subsequent to the completion of the ISO tank cleaning and repair facility operated by Stolt-Nielsen S.A. Group, the largest tank terminals operator in the world.

TOP was obtained in January 2005 and the annual lease revenue is \$0.6 million.

The Terminal Management Division represented by our 50% joint venture Hai Poh Terminals Pte Ltd contributed a profit after tax of \$0.26 million.

Dividend

The Board of Directors has recommended the payment of final and special dividends of 0.50 cents (or 5%) and 0.75 cents (or 7.5%) per ordinary share respectively less tax for the financial year ended 31 December 2005. Together with the interim dividend of 0.50 cents (or 5%) per ordinary share less tax paid in September 2005, the total dividend for the financial year will be 1.75 cents (or 17.5%) per ordinary share less tax, higher than the total dividend paid in 2004. The final and special dividends will be paid after obtaining approval from the shareholders at the Annual General Meeting.

Prospects

The Group's core business is expected to continue to operate in a highly competitive environment and results will be impacted by movements in interest rates and fuel prices.

Appreciation

I wish to thank my fellow Directors for their contribution, and shareholders, customers and suppliers for their continued support.

On behalf of the Board, I wish to thank the management and staff too for their hard work, commitment and dedication to deliver quality services in an increasingly competitive and difficult business environment.

Poh Choon Ann
Chairman and Chief Executive Officer
13 March 2006

Board of Directors



Poh Choon Ann
Chairman and
Chief Executive Officer



Poh Kay Ping
Deputy Chief
Executive Officer



Poh Khim Hong
Finance Director



Poh Key Boon
Executive Director



Poh Kay Yong
Executive Director



Lew Syn Pau
Director



Hong Hai
Director

Director's Profile

Poh Choon Ann

(Chairman and Chief Executive Officer)

Mr Poh Choon Ann, 69, is Chairman of the Board and Chief Executive Officer since 1999 and has served as Chief Executive Officer since 1976.

Mr Poh Choon Ann has been in the logistics business for over 30 years and his leadership and foresight have enabled PTCL to grow to its present stature.

He is a Director of the Singapore Chinese Orchestra Co Ltd, a Member of the Consultative Committee of the Department of Chinese Studies (National University of Singapore), Vice-Chairman of both the Nanyang Fine Arts Foundation Ltd and the Nanyang Academy of Fine Arts Council and a Council Member of the Singapore-Liaoning Economic and Trade Council as well as the Singapore Manufacturers' Federation.

Poh Kay Ping

(Deputy Chief Executive Officer)

Mr Poh Kay Ping, 43, joined the Group in 1986 and is the Deputy Chief Executive Officer since 1996. As the Deputy CEO, he assists the CEO in the day-to-day management of the Group.

Mr Poh Kay Ping holds a Bachelor of Science degree in Engineering Physics from the University of San Francisco, USA (1985), a Masters in Business Administration degree from Oklahoma City University (1995) and attended the Program for Global Leadership at Harvard University's Graduate School of Business Administration (1998).

He is a Member of the National Crime Prevention Council, Management Committee of Enterprise 50 Club, Young President's Organisation and Advisory Panel for Licencing.

An Exco Member of Singapore National Shippers' Council, he is also active in Ulu Pandan Constituency as Vice Chairman of the Citizens' Consultative Committee and a Member of the Community Club Management Committee.

Poh Khim Hong

(Finance Director)

Ms Poh Khim Hong, 45, joined the Group in 1984 and has been the Finance Director since 1986. She oversees the financial and accounting aspects of the Group.

She holds a Bachelor of Science, Finance degree from the University of San Francisco, USA (1984).

Poh Key Boon

(Executive Director, Transportation and Warehousing)

Mr Poh Key Boon, 52, joined the Group in 1975 and has been its Executive Director, Transportation and Warehousing Division since 1999. He oversees the transportation and warehousing business of the Group.

Mr Poh Key Boon is a Council Member of Singapore Logistics Association (SLA) and Chairman of the Land Transportation Sub-Committee, SLA.

Poh Kay Yong

(Executive Director, Corporate Services)

Mr Poh Kay Yong, 45, joined the Group in 1984 and, since 1999, has been its Executive Director, Corporate Services Division in charge of human resource, information technology, administration and insurance.

He holds a Bachelor in Business Administration degree from the National University of Singapore (1984).

Lew Syn Pau

(Independent & Non-executive Director)

Mr Lew Syn Pau, 52, has served as an independent director since 15 April 1999.

He is the Managing Director of Stanbridge International Pte Ltd, a firm specialising in senior management recruitment. Prior to Stanbridge, Mr Lew was Senior Country Officer and General Manager of Banque Indosuez Singapore from 1994 to 1997.

Mr Lew was the General Manager then Managing Director of NTUC Comfort from 1987 to 1993, and Executive Director of NTUC Fairprice from 1993 to 1994.

A Singapore Government scholar, he has a Masters in Engineering degree from Cambridge University, UK (1977) and a Masters in Business Administration degree from Stanford University, USA (1984).

Mr Lew sits on the Boards of several public listed companies, namely Golden Agri-Resources Ltd, Guangzhao Industrial Forest Biotechnology Group Ltd, Lafe Technology Ltd, Achieva Ltd, Food Empire Holdings Ltd, Magnus Energy Group Ltd and RSH Ltd. He is also the Chairman of Ascendas Pte Ltd.

He was a Member of Parliament from 1988 to 2001.

Hong Hai

(Independent & Non-executive Director)

Dr Hong Hai, 62, has served as an independent director since 26 June 2000.

Dr Hong Hai is a Professor and the Dean of the Nanyang Business School, Nanyang Technological University. Prior to this, he was the President and Chief Executive Officer of Haw Par Corporation Ltd and Haw Par Healthcare Ltd for 13 years.

He holds a first class honors degree in Electrical Engineering from University of Canterbury, New Zealand. He also holds a MPA from Harvard University and a PhD (Economics) from Carnegie-Mellon University, both in USA.

Dr Hong also serves on the Boards of several listed companies, including Asia Food & Properties Ltd, IDT Holdings (Singapore) Ltd and Singapore Airport Terminal Services Ltd, China Merchants Holdings (Pacific) Limited, Macquarie Prime REIT Management Limited and Singapore Deposit Insurance Corporation Limited. He is a Member of the Traditional Chinese Medicine Practitioners Board.

Key Executives

Poh Sin Choon, PBM

(Founder/Group Adviser)

Mr Poh Sin Choon, 81, was the Group Chairman until January 1999 when he was appointed Founder and Group Adviser. As Group Adviser, he provides advice to the Group on significant business and operational matters. Mr Poh Sin Choon started the business as a lorry owner-cum-operator back in the 1950s. Through his foresight and entrepreneurial spirit, the business grew significantly.

Mr Poh Sin Choon is Honorary Chairman, Adviser and Trustee of Lam Yong Poh Clan, Chairman and Trustee of Singapore Ann Kway Association, Honorary Chairman and Trustee of Singapore Transport Association. He is also Patron of Ping Yi Secondary School Advisory Committee, Patron of Kampong Chai Chee Citizens' Consultative Committee, Adviser of Pei Tong Primary School Advisory Committee, Honorary Chairman of Ping Sheh (The Singapore Amateur Beijing Opera Society), Honorary Chairman of Singapore Chin Woo (Athletic) Association, and Adviser of Traditional Southern Fujian Music Society.

Poh Kee Wat

(Head, Transportation Department)

Mr Poh Kee Wat, 59, is the Head of Transportation Department, which is the largest Division in the Group. He joined the Group in 1967. His operational experience and marketing skills have enabled the department to grow to its present stature.

Poh Kay Cheong

(Head, Bulk Cargo Department)

Mr Poh Kay Cheong, 55, is the Head of Bulk Cargo Department. He joined the Group in 1964 and has more than 20 years of experience in handling bulk cargo commodities.

Hassan Bin Asis

(Head, Marketing/Customer Service)

Mr Hassan Bin Asis, 47, is the Head of Marketing/Customer Service. He joined the Group in January 2002 bringing with him many years of experience in freight forwarding, warehousing and distribution.

Poh Kay Leong

(Head, IT Department)

Mr Poh Kay Leong, 38, is the Head of IT Department. He joined the Group in 1992 and is responsible for all IT matters.

Mr Poh Kay Leong holds a Bachelor of Science degree in Computer Science and Mathematics (1989) from the University of San Francisco, USA. He currently holds the rank of Deputy Superintendent (NS) in the Singapore Police Force.



PTC Chemical Logistics Complex

WAM HAO

POH TIONG CHOON

Company's Milestones

2005

Completed construction of ISO tank cleaning and repair facility at Jurong Island

2002

Began warehouse operations at the new PTC Chemical Logistics Complex at Jurong Island

2001

Completed construction of PTC Chemical Logistics Complex at Jurong Island

1999

Listed on the Main Board of the Singapore Exchange. The public offer portion of the initial public offering was 163 times over-subscribed

1996

Obtained ISO9002 Quality Management Award for logistics systems

1979

Re-located and started operations at its Pandan Road site

1969

Incorporated Poh Tiong Choon Contractors (Pte) Ltd (now known as Poh Tiong Choon Logistics Limited)

1967

Started heavy haulage services

1966

Pioneered bulk cargo handling with the unloading of the first bulk sugar shipment at Jurong Port

1950

Commenced operations as an owner-operated transport company



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POH TIONG CHOOK

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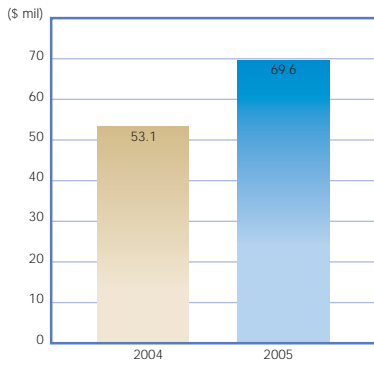
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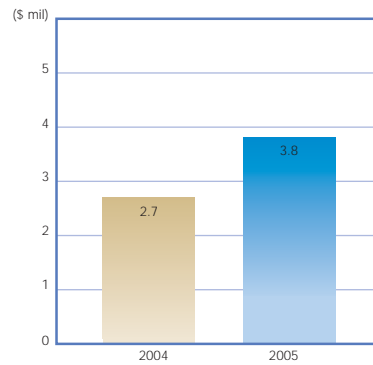
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Financial Highlights



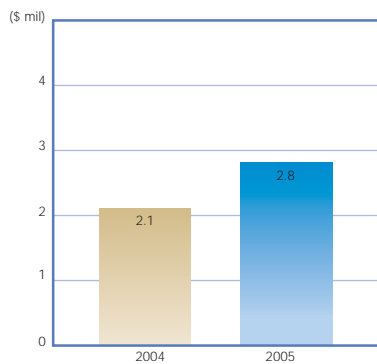
Revenue

Revenue increased by 31% from \$53.1 million in 2004 to \$69.6 million in 2005.



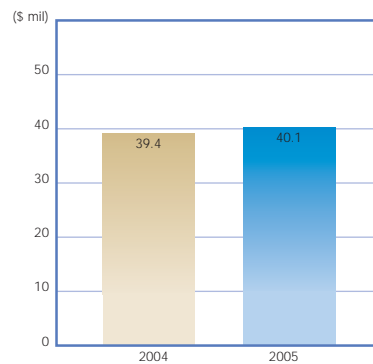
Profit before tax

Profit before tax increased by 39% from \$2.7 million in 2004 to \$3.8 million in 2005.



Profit after tax attributable to shareholders

Profit after tax attributable to shareholders increased by 32% from \$2.1 million in 2004 to \$2.8 million in 2005.



Shareholders' fund

Shareholders' fund increased by 2% from \$39.4 million in 2004 to \$40.1 million in 2005.

Financial Calendar

15 August 2005

Announcement of 2005 Half Year Results

27 September 2005

Payment of Interim Dividend

31 December 2005

Financial Year-End

28 February 2006

Announcement of 2005 Full Year Results

12 April 2006

Issue of Annual Report

28 April 2006

Annual General Meeting

22 May 2006

Payment of 2005 Proposed Final and Special Dividends

Corporate Information

Board of Directors:

Poh Choon Ann (Chairman and CEO)
Poh Kay Ping (Deputy CEO)
Poh Khim Hong (Finance Director)
Poh Kay Yong (Executive Director)
Poh Key Boon (Executive Director)
Lew Syn Pau
Dr Hong Hai

Audit Committee:

Lew Syn Pau (Chairman)
Dr Hong Hai
Poh Khim Hong

Nominating Committee:

Dr Hong Hai (Chairman)
Lew Syn Pau
Poh Choon Ann

Remuneration Committee:

Dr Hong Hai (Chairman)
Lew Syn Pau
Poh Choon Ann

Company Secretary:

Lee Seng Hua

Registered Office:

48 Pandan Road
Singapore 609289
Telephone: (65) 62682522
Facsimile: (65) 62643394
Email: sales@ptclogistics.com.sg
Website: www.ptclogistics.com.sg

Operations Headquarters:

PTC Chemical Logistics Complex
21 Ayer Merbau Road
Jurong Island
Singapore 627858
Telephone: (65) 68969888
Facsimile: (65) 62678790

Share Registrar:

Tricor Singapore Pte Ltd
8 Cross Street #11-00
PwC Building
Singapore 048424
Telephone: (65) 62363333
Facsimile: (65) 62364399

Auditors:

PricewaterhouseCoopers
8 Cross Street #17-00
PwC Building
Singapore 048424
Partner-in-charge:
Soh Kok Leong
(appointed in 2005)

Solicitors:

Allen & Gledhill
1 Marina Boulevard
#28-00 One Marina Boulevard
Singapore 018989

Donaldson & Burkinshaw
24 Raffles Place
#15-00 Clifford Centre
Singapore 048621

Principal Bankers:

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

Malayan Banking Berhad
2 Battery Road
Maybank Tower
Singapore 049907

Oversea-Chinese Banking
Corporation Limited
65 Chulia Street
OCBC Centre
Singapore 049513

The Development Bank of
Singapore Ltd
6 Shenton Way
DBS Building Tower One
Singapore 068809

Date and Country of Incorporation:

21 January 1969
Singapore

Date of Listing on Singapore Exchange:

29 April 1999



Transportation & Bulk Cargo Handling



In 2005, revenue of the Transportation Division, which includes bulk cargo handling and stevedoring, grew by 11% to \$48.5 million. This was mainly due to a higher volume generated from container trucking operation. Profit however decreased by 4.5% to \$2.3 million. Two underlying factors underpinning the decline are set out below:

- Margins were generally lower than last year.
- Diesel prices were generally higher than last year.

To cater for fleet renewal and expansion, a total of \$2.8 million was spent on the purchase of commercial vehicles comprising prime movers, forklifts, trailers and lorries.

Going forward, the business outlook is expected to remain subdued as we continue to operate in a highly competitive arena. Also, movement in diesel prices will impact on profitability. We will continue to strive for excellence in meeting customer satisfaction as well as addressing cost escalation.



Warehousing

Revenue of the Warehousing Division, including the drumming operations, increased by 20% as a result of the revenue generated from new customers and higher volumes. Profit increased by 91% to \$1 million.

The Group will continue to target an increase in market share of higher end chemical products and hazardous cargo.

Presently, the Group owns and operates warehouses in two areas, the PTC Chemical Logistics Complex at Jurong Island and the other at Pandan Road.

The Chemical Logistics Complex comprising a 5-storey warehouse, a chemical drumming plant, storage facilities for dangerous cargo and a high-density automated storage and retrieval system (ASRS), has further enhanced the Company's position as a leading chemical logistics service provider in the region.

To strengthen our competitive position, we will continue to leverage on the Complex which is equipped with the latest warehousing and IT facilities.





Trading

Revenue for the Trading Division increased by \$9.7 million or 300% to \$13 million, mainly due to the contribution from a new diesel trading business.

Consequently, operating profit for 2005 increased by 68% to \$0.5 million as compared to \$0.3 million in the previous year.

Terminal Management

Our 50% joint venture, Hai Poh Terminals Pte Ltd, operates at an appropriated berth at one of PSA's wharves and provides a full range of terminal services. Hai Poh contributed a post-tax profit to the Group of \$0.26 million in year 2005. This represented an increase of \$0.13 million or 101% over that of the previous year mainly due to much increased volume of container handling service and cargo handling.

